

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF)	CASE NO.
CINCINNATI BELL TELEPHONE)	94-355
COMPANY)	

O R D E R

IT IS ORDERED that Cincinnati Bell Telephone Company ("Cincinnati Bell") shall file the original and 12 copies of the following information with the Commission, with a copy to all parties of record, by January 13, 1995. In the event that a response to individual items becomes extraordinarily voluminous, Cincinnati Bell shall file an original and two copies of that response, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein should be provided for total Kentucky and Kentucky jurisdictional operations, separately.

1. Provide capital structure at the end of each of the periods as shown in Format 1.

2. a. Provide a list of all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 2a. Provide a separate schedule for each time period. Report in Column (k) of Format 2a, page 2 of 3, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 2a, page 2 of 3.

b. Provide an analysis of end-of-period, short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 2b.

3. List all outstanding issues of preferred stock as of the end of the latest calendar year and the end of the test period as shown in Format 3, pages 1 and 2. Provide a separate schedule for each time period. Report in Column (h) of Format 3, page 2, the actual dollar amount of preferred stock cost accrued and/or paid during the test year. Compute the actual and annualized preferred stock cost rate and report the results in Column (h) of Format 3, page 2.

4. a. List all issues of common stock during the most recent 5-year period as shown in Format 4a.

b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 4b.

c. Provide monthly market price figures for common stock for each month during the most recent 5-year period and for the months through the date the application is filed as shown in Format 4c. List all stock splits by date and type.

5. Provide a computation of fixed charge coverage ratios for the 4 most recent calendar years and for the test period as shown in Format 5.

6. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

7. Provide rates of return as requested in Format 7.

8. a. Provide a schedule of test-period revenues for each rate schedule at per book rates, present rates annualized, and proposed rates annualized.

b. Provide a schedule showing by service category (i.e., local network, private line, intraLATA toll, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each category. This schedule is to be accompanied by a statement which explains in detail the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective service categories.

c. Provide a schedule showing how the increase or decrease in (f) above was further distributed to each service category (i.e., local network, private line, intraLATA toll, etc.). This schedule is to be accompanied by a statement which explains,

in detail, the methodology or basis used to allocate the increase or decrease.

9. a. In comparative form, provide a total Kentucky and Kentucky jurisdictional income statement for the test period and the 12-month period immediately preceding the test period.

b. Provide a schedule showing the total company capital, by category, allocated to Kentucky and discuss the methodology used to derive the allocated amounts.

10. a. Provide an exhibit showing the separation factors used to determine jurisdictional revenues, expenses, investment, reserves, and deferrals.

b. Provide a schedule using Format 10b and the total Kentucky account balances provided above as the starting point in column b.

11. Provide the following monthly account balances and a calculation of the average (13-month) account balances for the test period for the total Kentucky and Kentucky jurisdictional operations:

- a. Plant in service (Account 2001).
- b. Property held for future use (Account 2002).
- c. Construction work in progress (Account 2004) (Separate this balance into CWIP eligible for capitalized interest) and other CWIP (Account 2003).
- d. Plant acquisition adjustment (Account 2005).
- e. Capital leases (Account 2681-2682).
- f. Plant purchased or sold (Account 1439).
- g. Depreciation reserve (Account 3100).

- h. Depreciation reserve (Account 3300).
- i. Amortization reserve by account (3410, 3420, 3500 and 3600).
- j. Inventories (Account 1220) (include all accounts and subaccounts).
- k. Prepayments (Accounts 1290, 1300, 1310, 1320, and 1330).
- l. Unamortized investment credit - Pre-Revenue Act of 1971.
- m. Unamortized investment credit - Revenue Act of 1971.
- n. Accumulated deferred income taxes.
- o. A summary of customer deposits as shown in Format 11o to this request.
- p. Investments in affiliated companies (Account 1401).
- q. Investments in nonaffiliated companies (Account 1402).
- r. Nonregulated investment (Account 1406).
- s. Deferred maintenance and retirements (Account 1438).

12. Provide schedules in comparative form showing by month for the test period, the 12 months preceding the test period, and any available months subsequent to the test period, the total Kentucky and Kentucky jurisdictional balance in each plant and reserve account or subaccount which is included in Cincinnati Bell's chart of accounts in Format 12.

13. Provide the following information for each item of property held for future use at the end of the test period:

- a. Description of property.
- b. Location.

- c. Date purchased.
- d. Cost.
- e. Estimated date to be placed in service.
- f. Brief description of intended use.
- g. Current status of each project.

14. Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since Cincinnati Bell's inception. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of utility plant, the amortization period, and the unamortized balance at the end of the test period.

15. Provide the detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application made to revenue, expense, investment, and reserve accounts for the test period and a detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain in detail all components used in each calculation including the methodology employed and all assumptions applied in the derivation of each adjustment. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

16. a. Provide a schedule showing a comparison of the balance in the total Kentucky and Kentucky jurisdictional revenue accounts for each month of the test period to the same month of the preceding 12 months for each revenue account or subaccount included

in Cincinnati Bell's chart of accounts. Include appropriate footnotes to show the month any rate increase was granted and the month the full increase was recorded in the accounts. See Format 12.

b. For each of the 12 months in the test period show the revenues deferred or reserved, the month they were deferred or reserved, and the reason for the deferral or reserve. Also show if any revenues were reversed from a deferral or reserve account and were not originally recorded in the test period.

17. a. Provide a schedule showing a comparison of the balance in the total Kentucky and Kentucky jurisdictional operating expense accounts for each month of the test period to the same month of the preceding 12 months for each account or subaccount included in Cincinnati Bell's chart of accounts. See Format 12.

b. Provide a schedule in comparative form showing the total Kentucky and Kentucky jurisdictional operating expense account balance for the test year and the year preceding the test year for each account or subaccount included in Cincinnati Bell's annual report (KPSC Form T, Schedule I-1, pages 3-7). Show the percentage of increase of each year over the prior year.

c. Provide a schedule for the 12 months of the test period separating wages from other expenses as shown in Format 17c.

d. Provide a schedule of total Kentucky and Kentucky jurisdictional salaries and wages for the test period and the year preceding the test year in the format as shown in Format 17d. Provide this information for union and non-union employees

separately. Show for each time period the amount of overtime pay, the amount of executive bonuses and incentive payments, and the amount of membership dues and fees paid to or on behalf of employees to health clubs, country clubs, etc.

e. Provide a schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the preceding year. If the response to Items 17(d) and 17(e) are different, provide an explanation of such difference. Provide current union contracts.

f. Do test year expenses include any "out of period" adjustments, expenditures for trials associated with such things as Video Dial Tone or Video on Demand or expenditures associated with personal communication service or other emerging technologies? If yes, provide the accounts and amounts included therein.

18. a. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from 48 percent to 46 percent in 1979, as of the end of the test period.

b. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from 46 percent to 34 percent in 1986, as of the end of the test period.

19. Provide the following tax data with all supporting information and calculations for the test period for total Kentucky and Kentucky jurisdictional operations:

a. Income taxes:

(1) Federal operating income taxes deferred - accelerated tax depreciation.

- (2) Federal operating income taxes deferred - other (explain).
- (3) Federal income taxes - operating.
- (4) Income credits resulting from prior deferrals of federal income taxes.
- (5) Investment tax credit net.
 - (i) Investment credit realized.
 - (ii) Investment credit amortized - Pre-Revenue Act of 1971.
 - (iii) Investment credit amortized - Revenue Act of 1971.
- (6) Provide the information in 19(a)(1) through 19(a)(4) for state income taxes.
- (7) Reconciliation of book to taxable income as shown in Format 19a (7), pages 1 and 2, and a calculation of the book federal and state income tax expense for the test period using book taxable income as the starting point.
- (8) A copy of federal and state income tax returns for the taxable year ended during the test period including supporting schedules.
- (9) Schedule of franchise fees paid to cities, towns, or municipalities during the test period including the basis of these fees.

b. An analysis of Kentucky other operating taxes in the format as shown in attached Format 19b.

20. Provide the comparative operating statistics as shown in Format 20 attached, pages 1, 2, 3 and 4.

21. Provide a statement of plant-in-service per company books for the test period. This data should be presented as shown in Format 21.

22. Provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 6613 - Product Advertising as shown in Format 22a attached and further should show any nonproduct-related advertising such as corporate image, stock and bond issues, and employment advertisements included in any other expense accounts. The analysis should be specific as to the purpose of the expenditure and the expected benefit to be derived. Expenses allocated from either the parent company or from affiliated companies should so be identified.

b. An analysis of Account 6728 - Other General and Administrative Expenses for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 22b and further provide all detailed working papers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure. Detailed analysis is not required for individual amounts of less than \$500 provided the items are grouped by classes as shown in Format 22b attached.

23. Provide a detailed analysis of expenses incurred during the test period for professional services, as shown in Format 23, and all working papers supporting the analysis. At a minimum, the

working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

24. Describe Cincinnati Bell's lobbying activities and provide a schedule showing the name of the individual, his salary, the organizations or trade associations involved in, and all company-paid or reimbursed expenses or allowances, and the account charged for all personnel for whom a principal function is that of lobbying, on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount. Also identify any lobbying activities billed direct to Kentucky operations by affiliates.

25. Provide the dollar amount of employee concession telephone service for the 12 months of the test period as shown in Format 25 attached.

26. Provide the following information with regard to uncollectible accounts for the test period and the preceding calendar year (taxable year acceptable) for total Kentucky:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).
- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.

f. Percent of provision to total local service and intraLATA toll revenue.

27. a. Provide a listing of non-utility property and property taxes and accounts where amounts are recorded.

b. Provide a schedule for all non-utility property giving a description, the date purchased, and the cost.

28. Provide employee data for all Cincinnati Bell employees as shown in Format 28 attached.

29. Provide a calculation of the rate or rates used to capitalize interest during construction for the test period and the preceding calendar year. Provide a narrative explanation of each component entering into the calculation of this rate.

30. Provide all information, as soon as it is known, which would have a material effect on net operating income, rate base, and cost of capital which occurred after the test period and was not incorporated in the filed testimony and exhibits.

31. Provide a detailed monthly income statement on a Kentucky combined and Kentucky jurisdictional basis for each month after the test period including the month in which the hearing ends, as they become available.

32. Provide a schedule showing, for the test period and the year preceding the test period with each year shown separately, the following information regarding Cincinnati Bell's investments in subsidiaries and joint ventures:

a. Name of subsidiary or joint venture.

b. Date of initial investment.

c. Amount and type of investment made for each of the 2 years included in this report.

d. Balance sheet and income statement for the test period and the year preceding the test period. Where only internal statements are prepared, furnish copies of these.

e. Show on a separate schedule all dividends or income of any type received by Cincinnati Bell from its subsidiaries or joint ventures for each of the 2-year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.

33. Provide the following data relating to affiliated or parent company:

a. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for the test period and the last 4 calendar years.

b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for the Kentucky subsidiary in its consolidation with the parent company and affiliated companies and any effect upon intrastate Kentucky operations.

c. Schedule of company's home office and/or inter-company charges; monthly for the test period and for the previous year. List the type of goods or services provided (i.e., supplies capitalized, data service, management services, etc.). The amount by type from each billing unit and the method used in billing (i.e., direct or allocated) and basis for allocating common charges. Also provide any studies available that show the

cost/benefit of each service provided to Kentucky ratepayers by the home office or inter-company charges.

d. Schedule of federal income tax reductions due to filing a consolidated parent tax return for the last 4 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

e. A calculation of the average (13-month) and the end-of-period debt and equity ratio and average (13-month) and end-of-period composite interest cost and preferred stock cost for the 12 months of the test period for the parent company and for the consolidated companies including all subsidiaries.

34. Provide the latest available Embedded Direct Analysis.

35. Provide a written explanation of all pro forma adjustments made to normalize the test period intrastate access or intraLATA revenues. Provide any other information Cincinnati Bell deems necessary to explain the debits and credits to its intrastate access or intraLATA revenues in order to normalize its revenues for the test period.

36. Provide a full description of the methodology used in total factor productivity studies by Cincinnati Bell. Moreover, provide the annual factors for the total company Kentucky combined and Kentucky jurisdictional operations for the test period and the preceding 5 years.

37. Provide a schedule reflecting expenses associated with proceedings before the Commission that are included in test period

operating expenses. The analysis should be by Case No. using Format 37.

38. Provide detailed bills for all individual payments made to any affiliated company for each month of the test period.

39. Explain how each affiliated company expense is allocated to the Kentucky operation. If different allocation methods are used, explain each in detail.

40. Provide any studies available that show the cost/benefit of each service provided to the Kentucky ratepayers by any affiliated company which bills expenses to the Kentucky operation.

41. a. Provide balance sheet, income statement, and retained earnings statements for each affiliated company which bills the Kentucky operation, for each month of the test period and the last calendar year.

b. Provide the actual rate of return on equity for each affiliated company which bills the Kentucky operation for the test period and for the last year.

42. If any carrying charges are billed to the Kentucky operation for any investment, expense, or return on investment utilized by corporate headquarters, etc., provide workpapers showing the calculations for all charges allocated for the test period and for the last calendar year.

43. Provide an estimate of costs associated with personal use of company vehicles by company employees.

44. Provide the dollar amount of aircraft expenses, if any, allocated to Kentucky and describe what benefits accrued to the Kentucky ratepayers from such charges.

45. Provide an analysis of Kentucky clearing accounts for each month of the test period.

46. Provide one copy of any and all computer diskettes which contain formal exhibits and workpapers in support of the notice of filing and testimony in this proceeding as well as any computer diskettes which contain any workpapers supporting any other adjustments in this proceeding.

47. a. Provide on a total Kentucky and Kentucky jurisdictional basis a determination of rate base and capitalization (including JDIC) at the end of the test period with supporting documentation and workpapers.

b. Provide a reconciliation of any difference between the level of rate base and capitalization for each of these amounts.

c. Provide a reconciliation of the jurisdictional rate base determined above and the rate base presented in the testimony.

48. State the total amount of affiliate charges included in Cincinnati Bell's proposed cost of service. Also, provide a summary itemizing this total.

49. Provide a summary schedule showing the results of the cost allocation manual upon the operations of Cincinnati Bell for the test year.

50. What return on equity would the \$3,434,000 net revenue increase produce? Show the calculations used to arrive at this return on equity.

51. The following questions refer to Cincinnati Bell's adoption of SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

a. What was the date of adoption?

b. What postretirement benefits other than pensions does Cincinnati Bell provide?

c. How did the company elect to recognize the transition obligation? If delayed recognition was elected, what amortization period was determined to be appropriate?

d. Provide a copy of Cincinnati Bell's most recent actuarial report on postretirement benefits other than pensions.

e. Provide a workpaper showing the postretirement benefits other than pensions for the test period for total company regulated and for Kentucky intrastate regulated operations. This workpaper should include a breakdown of service cost, interest cost, return on plan assets, any gains or losses, and amortization of the transition obligation.

f. Provide the actuarial assumptions used to determine the cost for postretirement benefits other than pensions for the test period, including but not limited to the discount rate, rate of return on plan assets, and health care cost trend rates.

g. Explain Cincinnati Bell's funding policy for postretirement benefits other than pensions.

52. The following questions refer to Cincinnati Bell's adoption of SFAS 112, "Employers' Accounting for Postemployment Benefits."

- a. What was the date of adoption?
- b. What postemployment benefits does Cincinnati Bell provide?
- c. What is the amount of the effect of a change in accounting principle reported or expected to be reported by Cincinnati Bell as a result of adoption of this statement?

53. Provide a workpaper showing the cost of postemployment benefits included in the test period for total company regulated and for Kentucky intrastate regulated operations.

54. Referring to Sigmon's testimony on page 6, are the increases to test period expenses for post-retirement and post-employment benefits on the amount of \$18.0 million and \$3.7 million respectively, one time impacts or are they recurring? If recurring, will expenses be impacted by these items on a consistent basis? If yes, explain and estimate the annual impacts for the three years following the test period. Provide an analysis showing the Part 32 accounts containing these charges as well as the amounts in each account.

55. Sigmon's testimony on page 12 states that Cincinnati Bell will seek regulatory reform and price flexibility in Kentucky pursuant to KRS 278.512. Does Cincinnati Bell propose to reflect revenues and expenses of exempted services "below the line"?

56. Has Cincinnati Bell done a "lead-lag" study to determine "Working Capital" in the Ohio jurisdiction? If yes, provide a lead-lag study for Kentucky. If not, how was the working capital requirement determined in the Ohio filing?

57. Provide copies of all advertising expenses Cincinnati Bell has left in the test period expenses.

58. Are wages and benefits the largest components of operating expense? If no, what other expense item is greater across the spectrum of accounts?

59. It appears that the "revenue split" method of allocations is used only to determine Kentucky intrastate investment, expenses, taxes and reserves associated with local exchange services and that the FCC Separations Procedures are used to separate all of the other categories. Is this true? If not, explain.

60. Would it be more reasonable to use another allocation method such as the number of local loops to determine the allocation of costs associated with local exchange services? If no, why not?

61. Are all rates associated with Part 32 accounts 5001-5060 uniform for both the Ohio and Kentucky jurisdictions? If no, detail those rates which are not.

62. Would Cincinnati Bell consider an "Area Calling Service" similar to South Central Bell's and GTE's in Kentucky to allow an alternative to those customers not wishing to see significant increases in their local bills? If no, explain why not.

63. Are the revenues recorded by Cincinnati Bell jurisdictional when booked? If no, why not?

64. Does Cincinnati Bell use the FCC Separations system to separate revenues? If yes, which ones?

65. If the plan under consideration goes into effect, will the local rates for all customers be the same for both Ohio and Kentucky? If not, explain how the revenue split methodology will be able to be used in the future.

66. It appears that once the Kentucky investment, expenses, taxes and reserves are isolated, a further step was taken to determine the portion of each Company account that is attributable to Kentucky. If this is true, why was this step taken?

67. Does Cincinnati Bell consider the inclusion of "Construction Work In Progress" in rate base a form of attrition allowance? If no, why not.

68. a. Compare and contrast the revenue split method and the usage method.

b. Provide detailed workpapers showing the development of each of the allocation factors reflected on Attachment 1 of Mr. Heckmann's testimony.

c. Provide the same analysis for factors used to determine jurisdictional allocation factors for the usage method.

69. Using the allocation factors developed in Item 68, show the development of the individual numbers which comprise the summary numbers reflected on Attachment 4 of Mr. Coogan's testimony for both the revenue split and usage methods. The development of

the numbers should progress from total Cincinnati Bell per books to Kentucky jurisdictional numbers. Provide all workpapers to support the Kentucky jurisdictional numbers.

70. In the 11/7/94 issue of "Telecommunications Week" an article about Cincinnati Bell discussed separations incentives for Senior Vice Presidents, Vice Presidents and Senior managers. The article stated that the incentives were being offered to move Cincinnati Bell toward a leaner organization, resulting in reduced costs. Discuss these reorganization plans. Were any of the cost reductions reflected as "known and measurable" changes to the test period? If no, why not? If yes, show the accounts and the amounts included therein.

71. Does the \$560,000 reduction in access revenues mentioned at page 25 of Mr. Findlay's testimony factor in increased usage through stimulation because of lower intrastate rates? If no, why not?

72. The following items refer to Cincinnati Bell's pension plans:

a. Provide a brief description of each pension plan offered by Cincinnati Bell.

b. Explain the funding status of the company's pension plans.

c. Explain the impact of pension costs in Cincinnati Bell's test year filing. Provide workpapers with supporting calculations.

d. Provide the actuarial assumptions used in computing pension costs for the test year.

73. Provide any analysis and any associated workpapers showing revenues and expenses during the test period realized and incurred relative to inside wire activities including inside wiring plans.

74. In your notice to the Commission, Cincinnati Bell summarized five alternatives to implement extended area service to its southern counties.

a. Provide detailed analyses showing the cost/benefit impact on the revenue requirement of each of these five alternatives.

b. Were other alternatives considered, and if so, provide a description and detailed cost/benefit analysis of each.

75. During the Special Legislative Session, the General Assembly passed House Bill No. 2. The Bill contained language requiring the Commission to compile and report certain data on long-distance service. Supply correspondence and other documents on this issue for the record in this case.

76. Provide an analysis listing all exchanges served by Cincinnati Bell, the calling scope of each exchange, the base rate of each exchange, measured service options and their rates, community calling plans and their rates, one-way or two-way optional calling plans by exchange and their rates, applicable message toll service and rates, and any other characteristics useful in describing each exchange.

77. Define base rate area, locality rate area, Zone A rate area, community connection (area) service, and flat rate extended area service.

78. Provide a price-out for intrastate toll service by exchange to other Cincinnati Bell exchanges in Kentucky.

79. Provide a price-out for interstate toll service by exchange in Kentucky to other Cincinnati Bell exchanges.

80. Provide a reconciliation of the price-out contained in Volume 6 to the revenues shown in the financial exhibits.

81. Provide an exact description of what is meant by "rate uniformity." Does this mean that all tariffed services in Kentucky have the same tariffs as analogous services in Ohio or that all Kentucky exchanges will pay the same rate for any tariffed service? Explain.

82. Is it true that rate group 5's (Kentucky Metropolitan exchange) local calling area includes the Cincinnati, Ohio exchange, but not any Kentucky exchanges? Explain.

83. Is it true that customers in rate group 5A (Alexandria, Boone, Independence, and Walton exchanges) may currently subscribe to an optional flat rate extended area service ("EAS"), which allows them to call other EAS subscribers within the rate group, the Kentucky Metropolitan and several Cincinnati, Ohio exchanges? Explain.

a. Provide the subscriber charge for EAS in rate group 5A and the most recent cost study supporting this rate.

b. Is there any difference between the Cincinnati, Ohio exchanges in rate group 5's local calling area and those included in the optional EAS currently available to customers in rate group 5A? Explain.

c. Explain why customers in rate group 5 are not required to subscribe to EAS in order to enjoy the benefits of toll free calling to all EAS subscribers in rate group 5A.

d. Explain why subscribers in rate group 5A may only call other subscribers within the rate group at a flat rate, but anyone in the Kentucky Metropolitan exchange and Cincinnati, Ohio exchanges may call each other without the rate.

84. Is it not true that over 99 percent of customers in rate group 5A subscribe to the current optional EAS plan? Explain.

a. Since most of these customers subscribe to the current optional EAS plan, is it fair to say that the typical bill comparison provided in Volume 1, Exhibit 10, page 5 may not accurately represent the actual monthly bill experienced by these customers, legal requirements notwithstanding? Explain.

b. For those customers who subscribe to the current optional EAS service, provide a typical bill comparison of their current bill, including the cost of EAS, and their bill under the proposed mandatory EAS calling plan. Be sure to separate residence from nonresidence (business) customers.

c. Describe the advantages of a mandatory EAS plan to the typical residence and nonresidence customer subscribing to the current optional EAS plan.

d. Under the proposed mandatory EAS plan, will customers be able to call any Cincinnati, Ohio exchanges on a flat rate basis? Explain.

85. Compare the rates and service options of the optional calling plans for customers in rate group 5A and 5B (Butler, Falmouth, Glencoe, Warsaw and Williamstown exchanges).

a. Provide the most recent cost study supporting this optional EAS plan.

b. What was the rationale for not offering customers in rate group 5B the same type of optional EAS plan as offered to rate group 5A customers?

c. For each exchange in rate group 5B, list the percentage of customers subscribing to the current optional EAS plan.

d. Is it fair to say that the typical bill comparison provided in Volume 1, Exhibit 10, page 6 may not accurately represent the actual monthly bill experienced by these customers, legal requirements notwithstanding? Explain.

e. For those customers in rate group 5B who subscribe to the current optional EAS service, provide a typical bill comparison of their current bill, including the cost of EAS, and their bill under the proposed mandatory EAS calling plan. Be sure to separate residence from nonresidence customers.

f. Describe the advantages of a mandatory EAS plan to the typical residence and nonresidence customer subscribing to the current optional EAS plan.

g. Under the proposed mandatory EAS plan, will customers be able to call any Cincinnati, Ohio exchanges on a flat rate basis? Explain.

86. Provide the cost study and priceout of offering an optional EAS calling plan to rate group 5B customers, analogous to that currently being offered to rate group 5A customers.

87. For rate groups 5, 5A, and 5B, provide a comparison of residential and nonresidence intrastate intraLATA toll between each group. Provide usage, originating and terminating minutes and corresponding revenue during the test year. If a distinction cannot be made between residence and nonresidence lines, provide an explanation and the requested information as total sums.

88. For rate groups 5A and 5B, provide a comparison of residence and nonresidence (business) toll between each of these rate groups and those Cincinnati, Ohio exchanges which are included in rate group 5's local calling area. Provide usage, originating, and terminating minutes and corresponding revenues during the test year. If a distinction cannot be made between residence and nonresidence lines, provide an explanation and the requested information as total sums.

Done at Frankfort, Kentucky, this 16th day of December, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

COMPANY NAME

Case No. _____

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line No.	Type of Capital	4th Year Amount Ratio	3rd Year Amount Ratio	2nd Year Amount Ratio
1.	Long Term Debt			
2.	Short Term Debt			
3.	Preferred Stock			
4.	Common Equity			
5.	Other (Itemize by Type)			
6.	Total Capitalization			

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Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line No.	Type of Capital	1st Year Amount Ratio	Test Year Amount Ratio	Average Test-Year Amount Ratio
1.	Long Term Debt			
2.	Short Term Debt			
3.	Preferred Stock			
4.	Common Equity			
5.	Other (Itemize by Type)			
6.	Total Capitalization			

COMPANY NAME

Case No. _____

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line No.	Type of Capital	<u>Latest Available Quarter</u>		
		Amount	Ratio	
1.	Long Term Debt			
2.	Short Term Debt			
3.	Preferred Stock			
4.	Common Equity			
5.	Other (Itemize by Type)			
6.	Total Capitalization			

Instructions:

1. Provide a calculation of the average test period data as shown in Format 1, Page 4 of 4.
2. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

COMPANY NAME _____

Case No. _____

Calculation of Average Test Period Capital Structure
12 Months Ended _____

"000 Omitted"

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	Balance beginning of test year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (L1 through L13)							
15.	Average balance (L14 ÷ 13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							
<p>Instructions:</p> <ol style="list-style-type: none"> If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded. Include premium on class of stock. 								

COMPANY NAME

Case No. _____

Schedule of Outstanding Long-Term Debt
For the Calendar Year Ended December 31,

Line No. -	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate ¹ (e)	Cost Rate At Issue ² (f)	Cost Rate to Maturity ³ (g)	Bond Rating At Time of Issue ⁴ (h)	Type of Obligation (i)	Annualized Cost Col. (d)xCol. (g) (j)
---------------	------------------------------	----------------------------	-------------------------------	------------------------------	------------------------------------------------	----------------------------------------------	-------------------------------------------------	--------------------------------------------------------	---------------------------------	------------------------------------------------

Total Long-Term Debt and
Annualized Cost

Annualized Cost Rate [Total
Col. (j) - Total Col. (d)]

- ¹ Nominal Rate
- ² Nominal Rate Plus Discount or Premium Amortization
- ³ Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
- ⁴ Standard and Poor's, Moody, etc.

COMPANY NAME

Case No. _____

Schedule of Outstanding Long-Term Debt
For the Calendar Year Ended December 31.

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate ¹ (e)	Cost Rate At Issue ² (f)	Cost Rate to Maturity ³ (g)	Bond Rating At Time of Issue ⁴ (h)	Type of Obligation (i)	Annu- alized Cost Col. (d) x Col. (g) (j)	Actual Test Year Interest Cost ⁵ (k)
-------------	------------------------------	----------------------------	-------------------------------	------------------------------	------------------------------------------------	----------------------------------------------	-------------------------------------------------	--------------------------------------------------------	---------------------------------	----------------------------------------------------------	-------------------------------------------------------------

Total Long-Term Debt and
Annualized Cost

Annualized Cost Rate [Total
Col. (j) - Total Col. (d)]

Actual Long-Term Debt Cost
Rate [Total Col. k - Total
Reported in Col. (c) Line 15
of Format 1, Schedule 2]

- ¹ Nominal Rate
- ² Nominal Rate Plus Discount or Premium Amortization
- ³ Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
- ⁴ Standard and Poor's, Moody, etc.
- ⁵ Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost

COMPANY NAME

CASE NO. _____

Long-Term Debt and Preferred Stock Cost Rates

Annualized Cost Rate

Long-Term Debt

Preferred Stock

Parent Company:		
Test Year		
Latest Calendar year		
System Consolidated:		
Test Year		
Latest Calendar year		

Instructions:

1. This schedule is to be completed only by applicants that are members of an affiliated group.
2. Detailed workpapers showing calculation of the above cost rates are to be available on request.

COMPANY NAME

Case No. _____

Schedule of Short-Term Debt
For the Test Period Ended

Line No.	Type of Debt Instrument (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Nominal Interest Rate (e)	Effective Interest Cost Rate (f)	Annualized Interest Cost Col.(d)xCol.(f) (g)
-------------	-----------------------------------	----------------------------	-------------------------------	------------------------------	------------------------------------	-------------------------------------------	-------------------------------------------------------

Total Short-Term Debt

Annualized Cost Rate [Total Col. (g) - Total Col. (d)]

Actual Interest Paid or Accrued on Short-Term
Debt during the Test Year [Report in Col. (g) of this schedule]Average Short-Term Debt - Format 1, Schedule 2
Line 15 Col. (d) [Report in Col. (g) of this schedule]Test Year Interest Cost Rate [Actual Interest -
Average Short-Term Debt] [Report in Col. (f) of this schedule]

Instructions:

1. In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.

COMPANY NAME

Case No. _____

Schedule of Outstanding Shares of Preferred Stock
For the Calendar Year Ended

Line No.	Description of Issue (a)	Date of Issue (b)	Amount Sold (c)	Amount Outstanding (d)	Dividend Rate (e)	Cost Rate at Issue (f)	Annualized Cost Col. (f) x Col. (d) (g)	Convertibility Features (h)
-------------	-----------------------------	----------------------------	-----------------------	------------------------------	-------------------------	------------------------------	--------------------------------------------------	-----------------------------------

Total

Annualized Cost Rate [Total
Col. (g) - Total Col. (d)]

Instructions:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

COMPANY NAME

Case No. _____

Schedule of Outstanding Shares of Preferred Stock
For the Calendar Year Ended

Line No.	Description of Issue (a)	Date of Issue (b)	Amount Sold (c)	Amount Outstanding (d)	Dividend Rate (e)	Cost Rate at Issue (f)	Annualized Cost Col.(f) x Col.(d) (g)	Convertibility Features (h)
-------------	-----------------------------	----------------------------	-----------------------	------------------------------	-------------------------	------------------------------	------------------------------------------------	-----------------------------------

Total

Annualized Cost Rate [Total
Col.(g) - Total Col.(d)]

Actual Test Year Cost Rate [Total
Col.(h) : Total Reported in
Col.(e), Line 15 of Format 1,
Schedule 2]

Instructions:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

COMPANY NAME

Case No. _____

Schedule of Common Stock Issue

For the 5 Year Period Ended _____

DATE OF			Number of Shares Issued	Price Per Share to Public	Price Per Share (Net to Company)	Book value Per Share At Date of Issue	Selling Exps. As % of gross Issue Amount	Net Proceeds to Company
Issue	Announcement	Registration						

Instructions:

1. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

COMPANY NAME

Case No. _____

Quarterly and Annual Common Stock Information
For the Periods as Shown

<u>Period</u>	<u>Average No. of Shares Outstanding (000)</u>	<u>Book Value (\$)</u>	<u>Earnings per Share (\$)</u>	<u>Dividend Rate Per Share (\$)</u>	<u>Return on Average Common Equity (%)</u>
5th Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
4th Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
3rd Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
2nd Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
1st Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					

COMPANY NAME

Case No. _____

Quarterly and Annual Common Stock Information
For the Periods as Shown

<u>Period</u>	<u>Average</u> <u>No. of Shares</u> <u>Outstanding</u> (000)	<u>Book</u> <u>Value</u> (\\$)	<u>Earnings</u> <u>per</u> <u>Share</u> (\\$)	<u>Dividend</u> <u>Rate</u> <u>Per Share</u> (\\$)	<u>Return on</u> <u>Average</u> <u>Common Equity</u> (%)
4th Quarter					
Annual					
Latest Available Quarter					
Instructions:					
1. Report annual returns only.					
2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.					

COMPANY NAME

Case No. _____

Common Stock - Market Price Information

ITEM	JANUARY	Month FEBRUARY	MARCH	APRIL	MAY	JUNE
5th Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
4th Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
3rd Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
2nd Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
Months to Date of Filings:						
Monthly High						
Monthly Low						
Monthly Closing Price						
Instructions:						
1. Indicate all stock splits by date and type.						
2. If applicant is a member of affiliate group, provide in a separate schedule the above data for the parent company.						

COMPANY NAME

Case No. _____

Common Stock - Market Price Information

ITEM	JULY	Month AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
5th Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
4th Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
3rd Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
2nd Year:						
Monthly High						
Monthly Low						
Monthly Closing Price						
Months to Date of Filings:						
Monthly High						
Monthly Low						
Monthly Closing Price						
Instructions:						
1. Indicate all stock splits by date and type.						
2. If applicant is a member of affiliate group, provide in a separate schedule the above data for the parent company.						

COMPANY NAME

Case No. _____

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

	<u>4th Calendar Year</u>		<u>3rd Calendar Year</u>		<u>2nd Calendar Year</u>	
	SEC Method	Bond or Mortg. Indenture Require- ment	SEC Method	Bond or Mortg. Indenture Require- ment	SEC Method	Bond or Mortg. Indenture Require- ment
<u>No. Item</u>						
Net Income						
Additions						
Itemize						
Total Additions						
Deductions						
Itemize						
Total Deductions						
Income Available						
for Fixed Charge						
Coverage						
Fixed Charges						
Fixed Charge						
Coverage Ratio						

COMPANY NAME

Case No. _____

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

	1st Calendar Year		Test Year	
	SEC Method	Bond or Mortg. Indenture Require- ment	SEC Method	Bond or Mortg. Indenture Require- ment
No. Item				
Net Income				
Additions				
Itemize				
Total Additions				
Deductions				
Itemize				
Total Deductions				
Income Available				
for Fixed Charge				
Coverage				
Fixed Charges				
Fixed Charge				
Coverage Ratio				

COMPANY NAME

Case No. _____

AVERAGE RATES OF RETURN

For the Calendar Years _____ Through _____ and the 12 Months Ended

Line No.	Calendar Years <u>Prior to Test Year</u> (a)	Total Kentucky <u>Company</u> (b)	Kentucky <u>Jurisdiction</u> (c)
1.	Original Cost Net Investment:		
2.	5th Year		
3.	4th Year		
4.	3rd Year		
5.	2nd Year		
6.	1st Year		
7.	Test Year		
8.	Original Cost Common Equity:		
9.	5th Year		
10.	4th Year		
11.	3rd Year		
12.	2nd Year		
13.	1st Year		
14.	Test Year		
NOTE: Provide work papers in support of the above calculations.			

COMPANY NAME

Case No. _____

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE
PRECEDING YEAR

Account Title and Account Number	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Total
-------------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	---------------	---------------	---------------	-------

Test Year
Prior Year
Increase
(Decrease)

COMPANY NAME

Case No. _____

ANALYSIS OF SALARIES AND WAGES

[illegible]

[illegible]

COMPANY NAME

Case No. _____

ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE
TEST YEAR ENDING _____

		<u>12 Months Ended</u> <u>Calendar Years Prior to Test Year</u>					
<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>5th</u> <u>(b)</u>	<u>4th</u> <u>(c)</u>	<u>3rd</u> <u>(d)</u>	<u>2nd</u> <u>(e)</u>	<u>1st</u> <u>(f)</u>	<u>Test</u> <u>Year</u> <u>(g)</u>
1.	Plant Specific	\$	\$	\$	\$	\$	\$
2.	Plant Nonspecific						
3.	Customer Operations						
4.	Corporate Operations						
5.	Salaries allocated to Kentucky						
6.	Total Salaries and Wages Charged Expense						
7.	Construction						
8.	Total Salaries and Wages						
	a. Ratio Charged Expenses						
	b. Ratio Charged Construction						

COMPANY NAME

Case No. _____

RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME
Test Period Ended

Line No.	Item (a)	Total Company Non-operating (b)	Kentucky Operations	
			Total Kentucky (c)	Jurisdictional (d)
1.	Net income per books			
2.	Add income taxes:			
3.	A. Federal income tax-Current			
4.	B. Federal income tax deferred- Depreciation			
5.	C. Federal income tax deferred- Other			
6.	D. Investment tax credit adjustment			
7.	E. Federal income taxes charged to other income and deductions			
8.	F. State income taxes			
9.	G. State income taxes charged to other income and deductions			
10.	Total			
11.	Flow through items:			
12.	Add (itemize)			
13.	Deduct (itemize)			
14.	Book taxable income			
15.	Differences between book taxable income and taxable income per tax return:			
16.	Add (itemize)			
17.	Deduct (itemize)			
18.	Taxable income per return			
NOTE:	(1) Provide a calculation of the amount shown on Lines 3 through 7 above.			
	(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.			
	(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.			

COMPANY NAME

Case No. _____

RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME
12 Months Ended

Line No.	Item (a)	Total Company Non-operating (b)	Kentucky Operations	
			Total Kentucky (c)	Jurisdictional (d)
1.	Net income per books			
2.	Add income taxes:			
3.	A. Federal income tax-Current			
4.	B. Federal income tax deferred- Depreciation			
5.	C. Federal income tax deferred- Other			
6.	D. Investment tax credit adjustment			
7.	E. Federal income taxes charged to other income and deductions			
8.	F. State income taxes			
9.	G. State income taxes charged to other income and deductions			
10.	Total			
11.	Flow through items:			
12.	Add (itemize)			
13.	Deduct (itemize)			
14.	Book taxable income			
15.	Differences between book taxable income and taxable income per tax return:			
16.	Add (itemize)			
17.	Deduct (itemize)			
18.	Taxable income per return			
NOTE:	(1) Provide a calculation of the amount shown on Lines 8 through 9 above. (2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation. (3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.			

COMPANY NAME

Case No. _____

Analysis of Other Operating Taxes
Test Period Ended

000 Omitted

Line No.	Item	Charged Expense (a)	Charged to Construction (b)	Charged to Other Accounts (c)	Amount Accrued (d)	Amount Paid (e)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Ad Valorem (Property)					
	(c) Payroll (Employer's Portion)					
	(d) Other Taxes					
2.	Total Kentucky Retail [L1(a) through L1(d)]					
3.	Other Jurisdictions					
	Total Per Books (L2 + L3)					
Instructions:						
1.	Explain items in column (b).					

COMPANY NAME

Case No. _____

NUMBER OF EMPLOYEES
TEST PERIOD ENDING _____

<u>Period</u>	<u>Total</u> (a) •	<u>Plant</u> <u>Specific</u> (b)	<u>Plant</u> <u>Nonspecific</u> (c)	<u>Customer</u> <u>Operations</u> (d)	<u>Corporate</u> <u>Operations</u> (e)
Month prior to Test Year					
1st Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average for Calendar Years Prior to Test Period					
5th Year					
4th Year					
3rd Year					
2nd Year					
1st Year					
Test Period					
<p>* Also identify the level of employees allocated to Kentucky operations from other divisions and/or headquarters.</p>					

COMPANY NAME

Case No. _____

ACCESS LINE DATA
TEST PERIOD ENDING _____

<u>Period</u>	<u>Main</u> (a)	<u>Centrex</u> <u>Trunks</u> (b)	<u>PBX</u> <u>Trunks</u> (c)	<u>Other</u> <u>Equivalents</u> (d)	<u>Total</u> <u>Access Lines</u> (e)
Month prior to Test Year					
1st Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average for Calendar Years Prior to Test Period					
5th Year					
4th Year					
3rd Year					
2nd Year					
1st Year					
Test Period					

COMPANY NAME

Case No. _____

GENERAL STATISTICAL DATA
TEST PERIOD ENDING _____

<u>Period</u>	Number of Employees Per <u>Avg. Access Line</u> (a)	Number of Station Connections Per <u>Installer-Repairman</u> (b)
12 Months Ended December 31:		
Calendar Years Before Test Period		
5th Year		
4th Year		
3rd Year		
2nd Year		
1st Year		
Test Period		

COMPANY NAME

Case No. _____

GENERAL STATISTICAL DATA
TEST PERIOD ENDING

	Average Net Plant <u>In Service</u> (a)	Increase Over <u>Prior Year</u> (b)	Construction Budget <u>Amount</u> (c)	Increase Over <u>Prior Year</u> (d)
<u>COMBINED</u>				
Calendar Years Before Test Period				
5th Year				
4th Year				
3rd Year				
2nd Year				
1st Year				
Test Period				
<u>INTRASTATE</u>				
Calendar Years Before Test Period				
5th Year				
4th Year				
3rd Year				
2nd Year				
1st Year				
Test Period				

COMPANY NAME

Case No. _____

KENTUCKY COMBINED OPERATIONS
STATEMENT OF TELEPHONE PLANT IN SERVICE
TEST PERIOD ENDING

<u>Account Number</u>	<u>Account (a)</u>	<u>Balance Beginning of Test Period (b)</u>	<u>Additions (c)</u>	<u>Retirements (d)</u>	<u>Balance End of Test Period (e)</u>	<u>Intrastate Percent (f)</u>	<u>Intrastate Portion (g)</u>
<u>Telephone Plant in Service:</u>							
2690	Organization						
2690	Franchises						
2690	Patent rights						
2111	Land						
2121	Buildings						
2122	Furniture						
2123.1	Office equipment - support						
2123.2	Co. communications equipment						
2124	General purpose computers						
2211 - 2232	Central office equipment						
2311	Station apparatus						
2321	Station connections						
2341	Large private branch exchanges						
2351	Public telephone equipment						
2362	Other terminal equipment						
2411	Pole lines						
2421	Aerial cable						
2422	Underground cable						
2423	Buried cable						
2424	Submarine cable						
2425	Deep Sea cable						
2426	Intra building cable						
2431	Aerial cable						
2441	Underground conduit						
2001	Total telephone plant in service						
	Total average access line (13 month average)						

COMPANY NAME

Case No. _____

**KENTUCKY COMBINED OPERATIONS
ADVERTISING
FOR THE TEST PERIOD ENDED _____**

<u>Line No.</u>	<u>Item</u> (a)	<u>Sales Advertising</u> (b)	<u>Promotional Advertising</u> (c)	<u>Institutional Advertising</u> (d)	<u>Rate Case</u> (e)	<u>Total</u> (f)
1.	Newspapers and periodicals					
2.	Booklets and pamphlets					
3.	Bill inserts					
4.	Displays, exhibits, posters, and placards					
5.	Motion pictures					
6.	Radio					
7.	Television					
8.	Salaries and wages					
9.	Other advertising					
10.	Other expenses					
11.	Total					

- Include on this sheet advertising expenditures reflected in all accounts including Account 6613 - Product Advertising. Complete one Format 24a for each account to which advertising expenses were charged.

COMPANY NAME

Case No. _____

KENTUCKY COMBINED OPERATIONS
SUMMARY OF ACCOUNT NO. 6728 -
GENERAL AND ADMINISTRATION EXPENSES
FOR THE TEST YEAR ENDING _____

No.	Item (a)	Amount (b)
1.	-	
2.	-	
3.	-	
4.	-	
5.	-	
6.	-	
7.	-	
8.	-	
9.	-	
10.	-	
11.	-	
12.	Total	
* List separately any single item above \$500.		

COMPANY NAME

Case No. _____

Professional Service Expenses

For the Test Period

Line No.	Item	Rate Case	Annual Audit	Other*	Total
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				
* Provide a detailed analysis for each item over \$500.					

COMPANY NAME

Case No. _____

EMPLOYEE CONCESSION TELEPHONE SERVICE
TEST PERIOD ENDING

Kentucky Revenue Loss	No. of People	Local		Toll	
		Main Stations	Other Services	Intrastate	Interstate

General Office Personnel
 (By percentage allowance)

Kentucky Operations
 (By percentage allowance)

Allowance Provided Employees
 Served by Other Telephone
 Companies

Retired and Disabled Employees
 (By percentage allowance)

Directors

Charitable Organizations

Other

- This should reflect all costs on Kentucky books including those allocated from General Office. Do not include any concession service allocated to Kentucky and included in another computation (i.e. - carrying charges)

COMPANY NAME _____

Case No. _____

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

Calendar Years Prior to Test Year (a)	Management			Management Support			Hourly			Total		
	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
5th Year												
% Change												
4th Year												
% Change												
3rd Year												
% Change												
2nd Year												
% Change												
1st Year												
% Change												
Test Year												
% Change												

Note: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.

(2) Show percentage increase (decrease) of each year over the prior year on lines designated above "% Change."

(3) Employees, weekly hour per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test period.

(4) Provide separate sheets for direct wages and allocated wages.

